Overcharging of prices under DPCO, 1987

1615. DR. NARREDDY THULASI REDDY : Will the PRIME MINISTER be pleased to state :

(a) whether it is fact that the number of instances of overcharging of prices under DPCO, 1987 have come to the notice of his Ministry;

(b) if so, the names of companies and products involved in each case what was the price fixed and what price was charged;

(c) what was the period for which consumer was overcharged on each product;

(d) whether his Ministry have worked out the amount overcharged;

(e) if so, the amount on each, and if not, the reasons for delay in action, and

(f) by when the liabilities under DPCO, 1987 would be assessed ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (f) The details, to the extent information is available, of cases in respect of overcharging of bulk drugs and formulations which came to the notice of the Government after promulgation of DPCO, 1987 are given in the Statement annexed. Some general complaints of overcharging of the prices of bulk drugs Trimethoprim, Ampicillin, Amoxycillin, Rifampicin, Ethambutol Sulphamethaxazole and Vitamin 'C' have also been received. Letters have been issued to companies to submit details of sales invoices and also to the State Drug Controllers to investigate the matter and initiate action under the DPCO, 1987 and Essential Commodities Act, 1955. State Drug Controller has filed complaints in Courts of Law in 9 cases in the State of Maharashtra and action against three firms has been initiated in the State of Gujarat.

Increase in prices of bulk drugs and formulations

1616. Dr. NARREDY THULASI REDDY : Will the PRIME MINISTER be pleased to state :

(a) what are the names of bulk drugs and formulations where prices have been increased by Government from January, 1992;

(b) what is the percentage increase and what are the reasons and basis of prices increase in each case;

(c) whether it is a fact that enlargement of prices decontrolled basket is likely to lead to galloping price rise of drugs;

(d) what is the position in respect of prices of first ten price decontrolled products in rank of sales turn over as per ORG; and

(e) what was the price of each before DPCO, 1987 and what is the present price?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (c) The requisite information in respect of bulk drugs whose prices have been revised upwards after January, 1992 is given in the Statement-I (*See below*). The number of formulations based on such bulk drugs run into several hundreds. The time and labour involved in compiling the requisite details will not be commensurate with the results likely to be achieved. The main reason for increase in prices of bulk drugs and formulations, is increase in the input costs and ascalation is worked out in accordance with the escalation formula given by BICP in their cost-cum-technical study report and supporting data turn shed by the applicants. In an inflationary situation some price rice in drugs whether in controlled category or outside is inevitable.

(d) and (e) To the extent information is available, the position in respect of prices of first ten price decontrolled products in rank of sales turnover, as per ORG are given in the Statement-II.